

Statutory Document No. 0140/13



Social Security Act 2000

SOCIAL SECURITY LEGISLATION (BENEFITS) (APPLICATION) (NO.2) ORDER 2013

Approved by Tynwald: 18 June 2013
Coming into Operation: 9 July 2013

The Department of Social Care makes the following Order under section 1(1), (3), (4)(b) and (5)(c) of the Social Security Act 2000.

1 Title

This Order is the Social Security Legislation (Benefits) (Application) (No.2) Order 2013.

2 Commencement and effect

- (1) This Order comes into operation on 9 July 2013.
- (2) The applied legislation shall be deemed to have had effect on and after 6 April 2013.

3 Interpretation

- (1) In this Order “**the applied legislation**” means –
 - (a) the Social Security Revaluation of Earnings Factors Order 2013¹;
 - (b) the Social Security Pensions (Low Earnings Threshold) Order 2013²; and
 - (c) the Social Security Pensions (Flat Rate Accrual Amount) Order 2013³.
- (2) Unless the context otherwise requires or it is expressly provided, a reference in the applied legislation to a provision of any such legislation or of any other legislation applied to the Island by an order under section 1 of the Social Security Act 2000 or section 1 of the Pension Schemes Act

¹ SI 2013/527.

² SI 2013/528.

³ SI 2013/529.

1995 shall be construed as a reference to that legislation as it has effect in the Island.

4 Application to the Island of the applied legislation

- (1) The applied legislation, incorporating the exceptions, adaptations and modifications subject to which it applies to the Island, is set out in the Schedules and shall apply to the Island as part of the law of the Island.
- (2) The applied legislation mentioned in –
 - (a) article 3(1)(a) is set out in Schedule 1;
 - (b) article 3(1)(b) is set out in Schedule 2; and
 - (c) article 3(1)(c) is set out in Schedule 3.

MADE 8TH MAY 2013

C R ROBERTSHAW
Minister for Social Care

SCHEDULE 1

[ARTICLE 4(2)(a)]

This Schedule sets out the text of the Social Security Revaluation of Earnings Factors Order 2013 (S.I. 2013/527) with such exceptions, adaptations and modifications made where necessary, which appear in *bold italic* type.

STATUTORY INSTRUMENTS

2013 No. 527

SOCIAL SECURITY

The Social Security Revaluation of Earnings Factors Order 2013

<i>Made</i>	-	-	-	-	<i>6th March 2013</i>
<i>Laid before Parliament</i>					<i>11th March 2013</i>
<i>Coming into force</i>	-	-	-	-	<i>6th April 2013</i>

In accordance with section 148(2) (revaluation of earnings factors) of the Social Security Administration Act 1992⁴, the Secretary of State has reviewed the general level of earnings obtaining in Great Britain.

The Secretary of State has concluded, having regard to earlier orders made under section 148⁵, that earnings factors⁶ for the relevant tax years have not, during the period taken into account for that review, maintained their value in relation to the general level of earnings.

⁴ 1992 c.5. Section 148 was amended by paragraph 27 of Schedule 8 to the Pension Schemes Act 1993 (c. 48) and by section 37 of the Child Support, Pensions and Social Security Act 2000 (c. 19).

⁵ The earlier orders are: S.I. 1979/832, 1980/728, 1981/598, 1982/607, 1983/655, 1984/581, 1985/688, 1986/809, 1987/861, 1988/867, 1989/805, 1990/1412, 1991/1108, 1992/1102, 1993/1159, 1994/1105, 1995/1070, 1996/1133, 1997/1117, 1998/1137, 1999/1235, 2000/1365, 2001/631, 2002/519, 2003/517, 2004/262, 2005/216, 2006/496, 2007/781, 2008/730, 2009/608, 2010/470, 2011/475 and 2012/187. Section 148(7)(b) of the Social Security Administration Act 1992 (c. 5) provides that orders under section 21 (revaluation of earnings factors) of the Social Security Pensions Act 1975 (c. 60) are to be treated as orders under section 148.

⁶ See sections 22 and 23 of the Social Security Contributions and Benefits Act 1992 (c. 4). Section 22 was amended by paragraph 22 of Schedule 2 to the Jobseekers Act 1995 (c. 18), paragraph 61 of Schedule 7 to the Social Security Act 1998 (c. 14), section 30(1) of the Child Support, Pensions and Social Security Act 2000 (c. 19), paragraph 7 of Schedule 1 to the National Insurance Contributions Act 2002 (c. 19), section 12(1) of, and paragraphs 9 and 33 of Schedule 1 to, the Pensions Act 2007 (c. 22), paragraph 9(1), (3) and (4) of Schedule 3 to the Welfare Reform Act 2007 (c. 5) and section 3(2) of, and paragraph 2 of Schedule 1 to, the National Insurance Contributions Act 2008 (c. 16). Section 23 was amended by paragraph 36 of Schedule 8 to the Pension Schemes Act 1993 (c.48), section 134(1) of the Pensions Act 1995 (c. 26), paragraph 8 of Schedule 1 to the National Insurance Contributions Act 2002 (c. 19) and paragraph 3(2) and 3(3) of Schedule 1 to the National Insurance Contributions Act 2008 (c. 16). See also sections 45B(6), 55A(5) and 55B(6) of the Social Security Contributions and Benefits Act 1992 (c. 4), inserted by paragraphs 2 and 3 of Schedule 6 to the Welfare Reform and Pensions Act 1999 (c. 30), under which state scheme pension debits and credits are to be increased by reference to percentage figures specified in orders under section 148 of the Social Security Administration Act 1992 (c. 5).

The Secretary of State makes the following Order in exercise of the powers conferred by sections 148(3) and (4) and 189(1), (4) and (5) of the Social Security Administration Act 1992⁷.

Citation [...]

1. This Order may be cited as the Social Security Revaluation of Earnings Factors Order 2013 [...].

Revaluation of earnings factors

2. The earnings factors for tax years specified in the Schedule to this Order in so far as they are relevant—

- (a) to the calculation—
 - (i) of the additional pension in the rate of any long-term benefit, or
 - (ii) of any guaranteed minimum pension⁸; or
- (b) to any other calculation required under Part 3 of the Pension Schemes Act 1993⁹ (including that Part as modified by or under any other enactment),

are directed to be increased for those tax years by the percentage of their amount shown opposite those tax years in that Schedule.

Rounding of fractional amounts

3. Where any earnings factor relevant to the calculation specified in article 2(a)(i) of this Order, as increased in accordance with this Order, would not but for this article be expressed as a whole number of pounds, it shall be so expressed by rounding down any fraction of a pound less than one half and rounding up any other fraction of a pound.

Signed by authority of the Secretary of State for Work and Pensions

Steve Webb
Minister of State
Department of Work and Pensions

6th March 2013

⁷ Relevant amendments to section 189 of the Social Security Administration Act 1992 (c. 5) are made by paragraph 109 of Schedule 7 to the Social Security Act 1998 (c. 14), paragraph 57(1) and (2) of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2) and by Schedule 6 to the Tax Credits Act 2002 (c. 21).

⁸ Earnings factors for any tax year after 1996-97 are not relevant to the calculation of any guaranteed minimum pension: section 14(8) of the Pension Schemes Act 1993 (c. 48) (see SD 531/95) as amended by paragraph 27(b) of Schedule 5 to the Pensions Act 1995 (c. 26) (see SD 501/97).

⁹ 1993 c.48 (see SD 531/95).

SCHEDULE

Article 2

<i>Tax year</i>	<i>Percentage increase</i>
1978-1979	734.2
1979-1980	636.3
1980-1981	515.1
1981-1982	415.2
1982-1983	367.9
1983-1984	334.5
1984-1985	302.3
1985-1986	277.4
1986-1987	246.5
1987-1988	222.7
1988-1989	196.8
1989-1990	167.9
1990-1991	149.7
1991-1992	126.8
1992-1993	112.9
1993-1994	102.8
1994-1995	96.7
1995-1996	88.4
1996-1997	83.3
1997-1998	74.5
1998-1999	66.9
1999-2000	60.1
2000-2001	50.7
2001-2002	44.9
2002-2003	38.9
2003-2004	34.1
2004-2005	29.2
2005-2006	24.1
2006-2007	20.0
2007-2008	15.3
2008-2009	10.6
2009-2010	7.3
2010-2011	6.0
2011-2012	3.6
2012-2013	1.8

SCHEDULE 2

[ARTICLE 4(2)(b)]

This Schedule sets out the text of the Social Security Pensions (Low Earnings Threshold) Order 2013 (S.I. 2013/528) with such exceptions, adaptations and modifications made where necessary, which appear in *bold italic* type.

STATUTORY INSTRUMENTS

2013 No. 528

SOCIAL SECURITY

The Social Security Pensions (Low Earnings Threshold) Order 2013

<i>Made</i>	-	-	-	-	<i>6th March 2013</i>
<i>Laid before Parliament</i>					<i>11th March 2013</i>
<i>Coming into force</i>	-		-		<i>6th April 2013</i>

In accordance with section 148A(1) (reevaluation of low earnings threshold) of the Social Security Administration Act 1992¹⁰, the Secretary of State has reviewed the general level of earnings obtaining in Great Britain.

It appears to the Secretary of State that the general level of earnings has increased during the review period.

The Secretary of State makes the following Order in exercise of the powers conferred by section 148A(3) and (4) of the Social Security Administration Act 1992¹¹.

Citation [...]

1. This Order may be cited as the Social Security Pensions (Low Earnings Threshold) Order 2013 [...].

Low earnings threshold

2. For the purposes of the Social Security Contributions and Benefits Act 1992¹², it is directed that the low earnings threshold¹³ for the tax years following the tax year 2012-2013 shall be £15,000.

Signed by authority of the Secretary of State for Work and Pensions

¹⁰ 1992 c.5. Section 148A was inserted by section 33(1) of the Child Support, Pensions and Social Security Act 2000 (c. 19).

¹¹ The amount of the threshold to be increased by this Order is the amount specified in section 148A(5).

¹² 1992 c. 4 (see SD 505/94).

¹³ See section 44A of the Social Security Contributions and Benefits Act 1992 (c. 4) as inserted by section 30(3) of the Child Support, Pensions and Social Security Act 2000 (c. 19) (see SD 378/01).

Steve Webb
Minister of State
Department for Work and Pensions

6th March 2013

SCHEDULE 3

[ARTICLE 4(2)(c)]

This Schedule sets out the text of the Social Security Pensions (Flat Rate Accrual Amount) Order 2013 (S.I. 2013/529) with such exceptions, adaptations and modifications made where necessary, which appear in *bold italic* type.

STATUTORY INSTRUMENTS

2013 No. 529**SOCIAL SECURITY****The Social Security Pensions (Flat Rate Accrual Amount) Order
2013**

Made - - - - *6th March 2013*

Laid before Parliament *11th March 2013*

Coming into force - - *6th April 2013*

In accordance with section 148AA(1) (revaluation of flat rate accrual amount) of the Social Security Administration Act 1992¹⁴, the Secretary of State has reviewed the general level of earnings obtaining in Great Britain.

It appears to the Secretary of State that the general level of earnings has increased during the review period.

The Secretary of State makes the following Order in exercise of the powers conferred by section 148AA(3) to (6) of the Social Security Administration Act 1992.

Citation [...]

1. This Order may be cited as the Social Security Pensions (Flat Rate Accrual Amount) Order 2013 [...].

Flat Rate Accrual Amount

2. For the purpose of paragraph 13(2) of Schedule 4B to the Social Security Contributions and Benefits Act 1992¹⁵, the flat rate accrual amount for the tax year beginning 6th April 2013 and subsequent tax years shall be £91.00.

Signed by authority of the Secretary of State for Work and Pensions

Steve Webb
Minister of State
Department for Work and Pensions

¹⁴ 1992 c. 5. Section 148AA was inserted by paragraph 2 of Schedule 2 to the Pensions Act 2007 (c. 22).

¹⁵ 1992 c. 4 (see SD 505/94). Schedule 4B was inserted by paragraph 1 of Schedule 2 to the Pensions Act 2007 (c. 22) (see SD 193/09).

6th March 2013

EXPLANATORY NOTE

(This note is not part of the Order)

Section 1 of the Social Security Act 2000 (an Act of Tynwald) enables the Department of Social Care, by order, to apply to the Island, as part of the law of the Island (incorporating such exceptions, adaptations and modifications as are appropriate) any legislation of the United Kingdom Parliament to which section 1 of that Act applies, subject to section 1(1A) of that Act.

Inter alia, section 1 of the Social Security Act 2000 applies to the Social Security Administration Act 1992 (an Act of the United Kingdom Parliament) and to any statutory instrument made (or having effect as if made) under that Act.

This Order applies to the Island 3 statutory instruments of Parliament relating to additional State pension (SERPS and the State Second Pension), the provisions of which are summarised in the following paragraphs. The applied legislation has effect from the same date as it did in Great Britain (6 April 2013).

Social Security Revaluation of Earnings Factors Order 2013 (S.I. 2013/527)

This Order directs that the earnings factors relevant to the calculation of the additional pension in the rate of any long-term benefit or of any guaranteed minimum pension, or to any other calculation required under Part 3 of the Pension Schemes Act 1993¹⁶, are to be increased for the tax years specified in the Schedule to the Order by the percentage of their amount specified in that Schedule.

The percentages specified in this Order for the tax years from and including 2000–2001 are also relevant for the purposes of revaluing state scheme pension debits and credits in accordance with sections 45B(6), 55A(5) and 55B(6) of the Social Security Contributions and Benefits Act 1992¹⁷.

The percentage for the tax year 2012–2013 is 1.8%. The percentages for earlier tax years have been increased so that the earnings factors for those years are revalued at 2012–2013 earning levels.

This Order also provides for rounding fractional amounts for earnings factors relevant to the calculation of the additional pension in the rate of any long-term benefit. By virtue of section 23(2) of the Social Security Contributions and Benefits Act 1992, rounding is not required for the purpose of the calculation of any guaranteed minimum pension.

¹⁶ 1993 c.48 (see SD 531/95).

¹⁷ 1992 c.4 (see SD 505/94).

Social Security Pensions (Low Earnings Threshold) Order 2013 (SI 2013/528)

The low earnings threshold is the amount by reference to which the surplus earnings bands are determined for the purpose of calculating the additional pension (now the State Second Pension) in a state retirement pension.

This Order directs that the low earnings threshold for the tax years following 2012–2013 shall be £15,000. The threshold for the tax year 2012–2013 was directed to be £14,700 by virtue of the Social Security Pensions (Low Earnings Threshold) Order 2012¹⁸.

Social Security Pensions (Flat Rate Accrual Amount) Order 2013 (SI 2013/529)

This Order directs that the flat rate accrual amount for the tax year beginning 6 April 2013, and subsequent tax years, shall be £91.00.

The flat rate accrual amount is a flat rate cash amount of additional pension which applies to accruals in the first earnings band under Schedule 4B to the Social Security Contributions and Benefits Act 1992. This method of calculation of additional pension applies from the flat rate introduction year, which by virtue of the Social Security Pensions (Flat Rate Introduction Year) Order 2011¹⁹ is the tax year beginning 6 April 2012.

¹⁸ SI 2012/188 (see SD 280/12).

¹⁹ SI 2011/2953 (see SD 280/12).